



UNITED STATES SENATE
**REPUBLICAN
POLICY COMMITTEE**

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Authorization Expires in Five Days

Welfare Reform Lifted Minority Children from Poverty – Even During the Recession

Observers have noted the true test of welfare reform is not how former recipients fare in an expanding economy where opportunities for work are plentiful, but how they fare in a contracting economy where work is tough to find. With the 2001 recession providing this test, the 1996 welfare reforms continue to show themselves to be the most effective and compassionate social legislation enacted since the War on Poverty began.

While Senate Democrats try to tar President Bush with responsibility for a recession that actually [began](#) under President Clinton, they're missing the real story: Republican welfare reforms protected children – especially minority children – from the impact of the "Clinton hangover." Despite a recession and a predictable if slight increase in overall poverty, child poverty held constant in 2001. However, poverty rates among black, Hispanic, and Asian and Pacific Islander children continued their downward trend. Even non-partisan observers attribute this happy fact to welfare reform. Moreover, in 2001 welfare caseloads continued to decline.

The same Democrats who voted against welfare reform in 1996 not only are turning a blind eye toward this progress, they are blocking further welfare reforms that would lift even more children out of poverty.

Poverty Still At Record Lows

The media have widely reported the Census Bureau's recent [findings](#) that overall poverty increased slightly, from 11.3 percent in 2000 to 11.7 percent in 2001. For poverty to increase is typical in a recession. However, important aspects of this recession are atypical. The 11.3-percent poverty rate of two years ago was the lowest ever recorded. It came about because of a [sharp downward trend](#) in poverty that began with state-level welfare reforms and was accelerated by the federal welfare reform law of 1996. Thus, even though poverty increased slightly from 2000 to 2001, **one would have to go back 20 years prior to 2000 to find the poverty rate as low as it was in the midst of last year's recession.**

Further, it is typical for welfare rolls to increase during an economic downturn. In 2001, however, welfare rolls continued their [seven-year decline](#). Although some [states](#) posted increases in their welfare rolls, the overall number of families on welfare dropped 2.6 percent and the total number of welfare recipients dropped 5.4 percent. President Bush's Texas posted a modest drop in families on welfare (1.7 percent) and a better-than-average drop in welfare recipients (6.0 percent). **Even in the midst of a recession, welfare rolls fell to a new 30-year low.**

Minority Child Poverty Continues Its Decline

Indeed, it would seem that the welfare reforms that improved [so many societal indicators](#) during an economic boom also protected particularly vulnerable populations from the effects of recession. While overall poverty increased in 2001, child poverty remained constant. Most interesting, though, are the all-but-unreported findings regarding poverty among minority children:

- **Poverty among black children *continued to decrease*, hitting a new historic low during the recession.**
- **Hispanic child poverty *continued to decline*, hitting a new 22-year low during the recession.**
- **Poverty among Asian and Pacific Islander children *continued to decrease* to nearly half its 1997 level, hitting a new historic low during the recession.**

At a minimum, it can be said that a decrease in poverty is contrary to what one would expect during a recession. Yet the downward trend in poverty among minority children continued unabated by the "Clinton hangover." (Curiously, the drop in poverty among minority children was not included in either the Census Bureau's [highlights](#) or [press materials](#). Only those who combed the report's data tables would find these man-bites-dog data.)

Credit Welfare Reform

The *Washington Post* [reports](#) that at least one nonpartisan expert attributes this welcome news to welfare reform [emphasis added]:

"At the Brookings Institution, senior fellow Isabel V. Sawhill took some comfort from the fact that the poverty rate among children was unchanged last year despite the increase overall. Credit, she said, should probably go to welfare reform, which has moved thousands of women from welfare to work and made their children 'better off and less likely to be poor than when they were on welfare.'"

There is more good news that points to the positive impact of welfare reform. As Sawhill notes, more women have been moved from welfare to work. As other observers have noted, the incomes of single

mothers have [risen](#) as they have moved from welfare to work. Consistent with these findings, the Census Bureau [reports](#):

“‘The real median earnings of women age 15 and older . . . increased for the fifth consecutive year, rising to \$29,215 – a 3.5 percent increase between 2000 and 2001,’ said [Census Bureau official Daniel] Weinberg. Men with similar work experience did not experience a statistical change in earnings (\$38,275). As a result, the female-to-male earnings ratio reached an all-time high of 0.76. The previous high was 0.74, first recorded in 1996.”

Other heartening news is that among adults, “**poverty remained at [historic lows](#) for African-Americans (22.7 percent), Hispanics (21.4 percent) and Asians and Pacific Islanders (10.2 percent).**” Certain states saw improvement despite the recession. California, Delaware, Massachusetts and Nevada experienced declines in poverty, while real median household income rose in Arizona, Massachusetts and Pennsylvania.

Democrats Jeopardizing War on Poverty

Yet, many of the same Senate Democrats who opposed welfare reform in 1996 are now trying to prevent Congress from building on its successes. Majority Leader Daschle voted against the now-wildly successful 1996 law because “too many kids will still be punished” [*Los Angeles Times*, 7/24/96]. Also among these pseudo-compassionate liberals are Senators Akaka, Bingaman, Boxer, Dodd, Feinstein, Inouye, Kennedy, Leahy, Murray, Sarbanes, and Wellstone.

These same Senators, led by Majority Leader Daschle, appear ready to let expire the law that rescued millions of children from poverty before and during the Clinton recession. It has been four months since the House passed the President’s welfare reform plan and another year since Democrats took control of the Senate. Despite ample time to act, the Majority Leader has yet to call up (much less pass) legislation that would maintain (much less build upon) the reforms enacted in 1996 by a Republican Congress and President Clinton. That law and the reforms that have brought [self-sufficiency and dignity](#) to millions will expire five days from today. Through their inaction, Senate Democrats are jeopardizing the futures of the millions of minority children and others whom welfare reform has lifted from poverty.

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